JUDGE: Hon. Marc L. Barreca
CHAPTER: Chapter 7
HEARING DATE: January 4, 2013
HEARING TIME: 9:30 a.m.
HEARING SITE: 700 Stewart St., #7106
Seattle, WA 98101
RESPONSE DATE: December 28, 2012

UNITED STATES BANKRUPTCY COURT FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM GROSSMAN, Debtor.	Case No. 10-19817 SECOND INTERIM APPLICATION FOR COMPENSATION FOR REIMBURSEMENT OF EXPENSES BY WOOD & JONES, P.S., ATTORNEY FOR CHAPTER 7 TRUSTEE

Denice E. Moewes of the firm of Wood & Jones, P.S., attorney for the Chapter 7 Trustee, Ronald G. Brown, hereby files this second interim application for compensation and reimbursement of expenses and in support thereof states as follows:

Adam Grossman filed a voluntary chapter 11 bankruptcy petition on August 19, 2010 ("Petition Date"). On March 11, 2011 the case was converted to a chapter 7.

Ronald G. Brown was appointed as the Chapter 11 Trustee on or about December 22, 2010. Ronald Brown was appointed as the Chapter 7 Trustee on March 11, 2011.

I. EMPLOYMENT OF PROFESSIONALS

Chapter 11

Pursuant to court order dated November 12, 2010 the Tsai Law Firm was employed as special counsel to represent the debtor in his State Court divorce proceeding.

Pursuant to court order dated January 31, 2011 Wood & Jones, P.S. was employed as the attorneys for the Chapter 11 Trustee.

Pursuant to court order dated February 25, 2011 Rob Middleton and The House of Realty were hired as the real estate agents for the Chapter 11 Trustee.

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Chapter 7

Pursuant to court order dated May 16, 2011 Rob Middleton and The House of Realty were hired as the real estate agents for the estate.

Pursuant to court order dated April 16, 2011 Wood & Jones, P.S. was employed as the attorneys for the Trustee in this case.

Pursuant to Court order dated May 22, 2012 (docket #353) Stephen Dean was employed as the attorney to commence eviction proceeds against the tenants in the Strauss Lane Property and the Cottonwood Property.

II. SUMMARY OF SERVICES

The services have been broken into 19 separate categories each of which is discussed below.

1. Keywest Financial Services, LLC ("Keywest") issues.

The Trustee commenced adversary proceeding no. 11-1954 on October 6, 2011 which named Keywest Financial Services, LLC and a number of other entities as Defendants. The Trustee sought to take a default judgment against Keywest but was advised by the Debtor's counsel that Keywest (which the Trustee has always believed has been nothing more than a shell of the debtor) had filed a short-form bankruptcy petition in Georgia. The Trustee verified this was true. Ultimately the case was dismissed for failure to file schedules. The debtor sought to intervene in the adversary proceeding (discussed in more detail below) but that motion was denied. The Trustee prepared and filed a motion and order for default (docket #25) on January 24, 2012. The order granting motion for default against Keywest was entered on January 25, 2012 (docket 29 AP-11-1954).

The legal services incurred in relation to the Keywest issues are marked "KWB" and Total $1,546.50.

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2. Avoidance Post-Petition Transfers Relating to 20710 Glennview Drive

As of the Petition Date the debtor owned real property located at 20710 Glennview Drive, Cottonwood, Washington ("Cottonwood Property"). Post-petition the debtor transferred the Cottonwood Property to third parties for no consideration, without court order. All of the entities who received transfers of the Metro Way Property were named as Defendants in the Keywest adversary proceeding. After the trustee obtained service on all Defendants we prepared and filed motions and orders to avoid all of the post-petition transfers relating to the Cottonwood Property.

All services relating to avoiding the transfers of the Cottonwood Property and quieting title to the property in the estate are marked "ATC" and total $3,262.00.

3. Sale of Cottonwood Property

The Trustee hired Rob Middleton to list the Cottonwood Property for sale. Mr. Middleton visited the property and advised the Trustee that Irene Miller and Jason White were living in the property, had not paid rent for close to two years, and were not leaving voluntarily. The Trustee hired Stephen Dean to commence eviction proceedings against Miller and White which he did. Miller and White contested the eviction proceeding. Trial was scheduled for October 10, 2012 and Mr. Middleton needed either the Trustee or the Trustee's counsel to testify at the trial. The testimony could not be done telephonically. Moewes flew to Redding, California on October 10, 2012 and testified at the hearing, which resulted in an order of eviction. Moewes flew back to Seattle that same day. Miller and White were evicted and the Cottonwood Property listed for sale. The trustee received a full price offer on the Cottonwood Property. We prepared and filed a motion to approve the sale of the Cottonwood Property and filed the same on November 27, 2012 (docket #459). The hearing on the motion to approve the sale is set for December 14, 2012.

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All legal services rendered in relation to evicting the squatters from the Cottonwood Property and noting the sale for hearing are marked as "SOC" and total $9,344.50.

4. Avoidance of Post-Petition Transfers Relating to 773 Metro Way

As of the Petition Date the debtor owned real property located at 773 Metro Way, Redding, California ("Metro Way Property"). Post-petition the debtor transferred the Metro Way Property to third parties for no consideration, without court order. All of the entities who received transfers of the Metro Way Property were named as Defendants in the Keywest adversary proceeding. After we obtained service on all of the Defendants we prepared and filed motions and orders to avoid all of the post-petition transfers relating to the Metro Way Property.

All services relating to avoiding the transfers of the Metro Way Property and quieting title to the property in the estate are marked "ATM" and total $7,529.00.

5. Sale of Metro Way Property

Rob Middleton listed the Metro Way Property for sale and obtained an offer to purchase. We prepared the motion to approve the sale along with the order and the Declaration of Ron Brown and filed the same on September 25, 2012 (docket #434). The order approving the sale was entered on October 18, 2012 (docket #452). Thereafter it was discovered that someone had broken into the Metro Way Property and stolen the appliances and done some damage to the property. We prepared an ex parte motion and order seeking approval of a reduction of $2,500 in the purchase price. The amended order was entered on November 9, 2012 (docket #458). The sale of the Metro Way Property is set to close in the next week.

All legal services rendered which relate to the sale of the Metro Way Property are marked "SOM" and total $3,781.00.

6. Avoidance of Post-Petition Transfers Relating to 1679 Strauss Lane

As of the Petition Date the debtor owned real property located at 1679 Strauss Lane, Redding, California ("Strauss Property"). Post-petition the debtor transferred the Strauss

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Property to third parties for no consideration, without court order. All of the entities who received transfers of the Strauss Property were named as Defendants in the Keywest adversary proceeding. After we obtained service on all of the Defendants we prepared and filed motions and orders to avoid all of the post-petition transfers relating to the Strauss Property.

All services relating to avoiding the transfers of the Strauss Property and quieting title to the property in the estate are marked "ATS" and total $4,321.50.

7. Attempted Sale of Strauss Lane Property

Rob Middleton listed the Strauss Lane Property and discovered there was a squatter in this property who also refused to leave[1]. We hired Stephen Dean to evict the squatter. We also listed the Strauss Lane Property for sale and obtained an offer to purchase. We obtained an offer to purchase for a price of $130,000.00 which we felt was the highest offer we would obtain. The offer was sufficient to pay the first in full but not to pay the second in full. Mr. Middleton began negotiations with Wells Fargo Bank for a short-sale. Ultimately the individual with whom he was working with at Wells Fargo Bank recommended that the short-sale be approved. However, there was a foreclosure sale pending. The Debtor contacted Wells Fargo and agreed to reinstate the loan if the foreclosure sale was continued. The foreclosure sale was continued, the short-sale motion denied. Mr. Grossman never cured the arrearages as far as the trustee is aware. It is the Trustee's belief that the Strauss Lane Property may have been foreclosed upon last week.

All legal services related to the attempted sale of the Strauss Lane Property are marked "SOS" and total $955.50.

8. Attempted Settlement of Montcrest Issues.

The Decree of Dissolution entered in the King County Superior Court action awarded real property located at 868 Montcrest Drive, Redding, California ("Montcrest Property") to the

[1] The squatter did, however, place a "NO TRESPASSING" sign in the living room window so no other squatters would move in.

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wife of the debtor (Jill Borodin). An issue arose in the bankruptcy as to whether the Montcrest Property was subject to the claims of the community creditors. The Trustee and Ms. Borodin entered into a settlement agreement to resolve these issues, sell the Montcrest Property, and pay the trustee a certain percentage of the sales proceeds. The Motion to approve the compromise and settlement was filed on May 10, 2012 (docket #342). The debtor filed an objection to which we prepared and filed a reply. We attended the hearing on June 1, 2012 at which time the Court requested additional briefing from the Trustee and continued the hearing to June 22, 2012. The trustee filed additional documents and declarations (docket #362, 363). We attended the continued hearing on June 22, 2012, at which time the Court requested additional information from the Trustee and continued the hearing to July 20, 2012. We prepared and filed the additional information requested by the Court (docket #368). We attended the continued hearing on July 20, 2012 at which time the Court denied the proposed settlement.

The Trustee and Ms. Borodin entered into subsequent settlement discussions and have agreed to another settlement based on section 726(c)(2)(A) & (B) of the Bankruptcy Code which will be noted for hearing in the near future.

All legal services relating to the Montcrest issues and proposed settlement are marked "Mont" and total $16,410.50.

9. Tsai Law Group Issues

The Tsai Law Group was hired as counsel for the debtor during the Chapter 11. On February 1, 2012 the Trustee filed a Motion for Order Compelling Compliance with Court Order or Alternatively Compelling the Tsai Law Group to Turnover Property of the Estate (docket #307). In response the Tsai Law Group filed its Second Application for Compensation (docket #313). On February 24, 2012 the Trustee objected to the Tsai Law firm's Second Application. We prepared and filed a Reply to the Tsai Law Group's response to the Trustee's Motion on

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February 28, 2012. We attended the hearing on March 2, 2012 at which time the Court denied both motions, without prejudice.

All legal services rendered which relate to the Tsai Law Firm are marked "Tsai" and total $4,4245.00.

10. Avoidance Action Review

The deadline to object to any avoidance actions that had not already been filed was August 9, 2012. We reviewed the numerous bank statements on which the debtor was a signatory and determined there were no additional avoidance actions to be filed.

All legal services rendered relating to the potential avoidance actions are marked "AAR" and total $1,536.50.

11. First Interim Fee Application

We prepared and filed the first interim application for compensation and reimbursement of expenses on December 13, 2011 and in that application sought approval of Chapter 11 fees in the amount of $9,290.00 and costs in the amount of $36.27 for a total of $9,326.27. In that same application Wood & Jones, P.S. sought approval fees rendered in the Chapter 7 proceeding in the amount of $72,581.50 and costs in the amount of $4,684.40 for a total of $77,265.90. On June 6, 2012 a Court order was entered approving the fees and costs sought.

All legal services relating to the first interim application for compensation and reimbursement of expenses are marked "1FA" and total $3,027.50.

12. Debtor's Motion for Order that Bankruptcy is Stockbroker Liquidation.

On January 12, 2012 the Debtor filed a Motion for Order that the Present Proceeding is a Stockbroker Liquidation (docket #301). We prepared and filed an objection to the motion and the Declaration of Denice Moewes and of Jeffrey Bernstein in response thereto and filed the same on February 10, 2012 (docket 315, 316 and 317). The Debtor filed a reply to the Trustee's Response on February 14, 2012 (docket #319). The Trustee believed the debtor altered a

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check that was attached to the Motion such that it supported the position he was taking when in fact the original check did not support the position at all and therefore filed a Sur-Reply on February 15 (docket #319 and 320). A hearing was held on February 17, 2012 at which time the Court denied the motion and indicated the Trustee could file a separate motion to deal with the apparent alteration of the check.

All legal services which relate to the Debtor's Stockbroker Liquidation Motion are marked "DSB" and total $7,752.00.

13. Debtor's Motion to Compel Abandonment of Terrington Davies, LLC.

On December 15, 2011 the Debtor filed a Motion to Abandon Interest in Terrington Davies, LLC ("TD Motion")(docket #289). We prepared and filed an objection to the motion and the Declaration of Denice Moewes in response thereto (#303). We attended the hearing on January 20, 2012. The Debtor's Motion was denied. We prepared the order denying the motion which was entered on February 9, 2012 (docket #312).

The legal services which relate to the Debtor's TD Motion are marked "DMA" and total $5,909.00.

14. Debtor's Motion to Intervene in Keywest AP.

On January 12, 2011 the Debtor filed a Motion to Intervene and for an Injunction in AP 11-1954 despite the fact he was not named as a Defendant in that litigation (docket #18 AP 11-1954). On February 10, 2012 we prepared and filed our response to the Debtor's Motion to Intervene and for an Injunction (docket #46 and 47). We attended the hearing conducted on February 14, 2012 at which time the Motion was denied. We prepared the Order denying the motion to intervene which was entered on February 23, 2012 (docket #56).

The legal services rendered which relate to the Debtor's Motion to Intervene and for an Injunction are marked "DMI" and total $1,610.00.

15. Debtor's Motion to Abandon Strauss and Metro Way

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On April 26, 2012 the Debtor filed a Motion to Abandon the Strauss Lane and Metro Way Property (docket #336) and then filed a motion to shorten time to hear said motion, which was granted. We prepared an objection to the Debtor's Motion and filed the same on May 11, 2012 (docket #344) along with a declaration from our real estate agent and Moewes (docket #346 and 347). We attended the hearing conducted on May 18, 2012 at which time the Court denied the Motion as to the Metro Way Property. The Court continued the hearing in relation to the Strauss Lane Property to July 20, 2012. The Debtor never confirmed the continued hearing on the Strauss Motion and thus it appears it was stricken.

The legal services rendered in relation to the Debtor's Motion for Abandonment of Strauss Lane and Metro Way are marked "DMAS" and total $4,406.00.

16. Settlement Offers from Debtor

During the time that Mr. Wells was representing the Debtor a few settlement offers were made to the trustee which were considered and responded to with counter offers. After Mr. Wells withdrew, the Debtor continued to make settlement offers to the Trustee on either a daily for a time, and then a weekly basis for a time. The settlement offers were reviewed and rejected as they contained terms that were unacceptable or not possible.

The legal services rendered in relation to the debtor's settlement offers tendered are marked "SG" and total $1,586.00.

17. Emails from Debtor

Despite the fact that this Court established a procedure by which the debtor's very lengthy emails were to be dealt with, once Mr. Wells withdrew from the case, Mr. Grossman refuse to comply with the policy set by the Court. Mr. Grossman sent numerous lengthy emails and facsimiles to the trustee and his counsel regarding a myriad of issues, most of them irrelevant to the case.

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The legal services incurred in reviewing the direct communications from Mr. Grossman and responding, when necessary are marked "EMD" and total $1,703.50.

18. Claims Filed by Debtor

On or about February 14, 2012 the Debtor filed approximately 15 proofs of claim on behalf of various creditors, the majority of which he had not listed as creditors on his original schedules. On or about July 30, 2012 we prepared and filed objections to claims 18-33 and noted them for hearing. The debtor filed a response to five of the objections. We attended the hearing on September 7, 2012 at which time the trustee's objection to the claims was upheld. We prepared an order disallowing claims 20-33 which was entered in September 10, 2012 (docket #423) as well as the Order disallowing claim number 18 and 19 which was entered on October 1, 2012 (docket #441).

The legal services incurred in dealing with the claims filed by the debtor are marked "CFD" and total $9,804.50.

19. Miscellaneous or Administrative

Legal services rendered which were not large enough to warrant their own category are marked either "Misc" or "Admin" and total $2,199.50.

III. CLAIMS

The claims bar date expired on February 14, 2012. An order disallowing claims 20-33 was entered in September 10, 2012 (docket $423). An Order disallowing claim number 18 and 19 was entered on October 1, 2012 (docket #441).

IV. PREVIOUS ALLOWANCES

Wood & Jones, P.S. filed its first interim application for compensation and reimbursement of expenses on December 13, 2011 and in that application sought approval of Chapter 11 fees in the amount of $9,290.00 and costs in the amount of $36.27 for a total of $9,326.27. In that same application Wood & Jones, P.S. sought approval of fees rendered in

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the Chapter 7 proceeding in the amount of $72,581.50 and costs in the amount of $4,684.40 for a total of $77,265.90. Pursuant to Court order dated January 6, 2012 the fees and costs sought were approved.

Other than as set forth above Wood & Jones, P.S. has received no payments and no promises for payments from any source for services rendered or to be rendered in any capacity whatsoever in connection with this case, and there is no agreement or understanding between me and any other person other than members of my firm for sharing of the compensation to be received for services rendered in this case.

V. RATES OF COMPENSATION

The hourly billing rate of Edmund Wood and Denice Moewes has been as follows:

Year	Ed Wood	Denice Moewes
2011	$350.00	$325.00
2012	$360.00	$340.00

The hourly billing rate for Tess Kent has been $125 at all times relevant herein. The billing rate of Jim Sykes was $35 per hour.

We seek compensation in the amount of $91,012.00 for professional fees rendered during the chapter 7. Wood & Jones, P.S. believes its services have been reasonable, necessary and beneficial to the estate and are being requested in compliance with the Bankruptcy Code and Rules. Wood & Jones is a disinterested party. A summary of time and costs expended by Wood & Jones from December 1, 2011 through November 30, 2012 are attached to the Declaration of Denice Moewes as Exhibit “A” which Declaration is being filed simultaneously herewith. No interest on the unpaid balance is sought.

VI. EXPENSES

Wood & Jones, P.S. incurred expenses in the amount of $7,039.01 from December 1, 2011 through November 30, 2012 during the chapter 7 proceeding. Wood & Jones, P.S.

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is seeking approval of these costs, and disbursement of these costs at this time. All expenses incurred are also reflected on the itemized billings attached to the Moewes Declaration as Exhibit "1".

WHEREFORE, We seek compensation in the amount of $92,012.00 for professional services rendered and fees in the amount of $7,039.01 for a total of $98,051.01.

Dated this 13th day of December, 2012.

WOOD & JONES, P.S.
/s/ Denice E. Moewes
Denice E. Moewes, WSBA #19464
Attorney for Chapter 7 Trustee
Ronald G. Brown

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EXHIBIT“1”

Judge: Hon. Marc L. Barreca
Chapter: Chapter 7

UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re: ADAM GROSSMAN, Debtor.	Case No. 10-19817 **ORDER ALLOWING SECOND AND FINAL APPLICATION FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES FILED BY WOOD & JONES, P.S. ATTORNEY FOR TRUSTEE**

THIS MATTER having come before the Honorable Marc L. Barreca on the Second and Final Application for Compensation and Reimbursement of Expenses Filed by Wood & Jones, P.S., Attorney for Trustee ("Fee Application"); the Court finding that notice of the Fee

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Application was timely given to all creditors listed on the mailing matrix and hence notice of the Fee Application was in compliance with the Bankruptcy Code and Rules; the court having reviewed the Fee Application, and having reviewed all objections thereto, and deeming itself fully informed in this matter, now, therefore, it is hereby

ORDERED ADJUDGED AND DECREED that the fees and costs incurred by Wood & Jones, P.S., attorneys for the Chapter 7 Trustee were reasonable and necessary and are approved and Wood & Jones, P.S. is awarded fees in the amount of $92,012.00 as compensation for professional services rendered and costs in the amount of $7,039.10 for a total of $98,051.01; and it is further;

ORDERED ADJUDGED AND DECREED that the approved fees and costs may be paid from the unencumbered funds on hand.

////END OF ORDER///

WOOD & JONES, P.S.
*/s/ Denice E. Moewes*________
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Attorney for Chapter 7 Trustee
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